

AMENDED IN SENATE APRIL 20, 2005

SENATE BILL

No. 428

Introduced by Senator Scott

February 17, 2005

~~An act to add Article 1 (commencing with Section 42200) to Chapter 7 of Part 24 of the Education Code, relating to education finance. An act to amend Sections 41500, 41505, 41506, 41522, 41530, 41531, and 41532 of, to repeal Section 41505.5 of, and to repeal and add Sections 41507 and 41572 of, the Education Code, relating to education finance.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 428, as amended, Scott. ~~Weighted per pupil funding—Education finance.~~

(1) Existing law authorizes a school district and a county office of education to transfer up to 15% of the amount of funds apportioned for the school safety consolidated competitive grant, the professional development block grant, the targeted instructional improvement block grant, and the school and library improvement block grant, to any other program for which the school district or county office of education is eligible for funding. Existing law requires a school district to track those transfers using the Standardized Account Code Structure, as specified.

This bill would delete the requirement that a school district track those transfers using the Standardized Account Code Structure.

(2) Existing law establishes the pupil retention block grant for the purposes of apportioning block grant funds, composed of funding from and for specified existing categorical education programs, to certain school districts. Existing law requires the State Department of Education to make an initial allocation of 75% of the allocation for a

school district of block grant funds, and to make the remaining portion of the allocation only after supplemental instructional programs for pupils enrolled in grades 7 to 12, inclusive, who do not demonstrate sufficient progress toward passing the high school exit examination, and programs of direct, systematic, and intensive supplemental instruction to pupils enrolled in grades 2 to 9, inclusive, who have been recommended for retention or who have been retained, have been fully funded, as specified.

This bill would authorize a school district to use pupil retention block grant funds only if those supplemental instructional programs are fully funded, and would include those supplemental instructional programs within the block grant.

Existing law requires a school district that receives pupil retention block grant funds to have a school level advisory committee and a single school plan.

This bill would instead require that, as a condition to the receipt of pupil retention block grant funds, a school district shall establish and maintain a school site council.

(3) Existing law establishes the teacher credentialing block grant for the purposes of apportioning block grant funds, composed of funding from and for beginning teacher support and assessment programs, to certain school districts. Existing law requires that the amount of block grant funding a school district receives be adjusted for inflation, as specified, and for growth, as measured by the regular average daily attendance used for the second principal apportionment.

This bill would instead require that the amount of block grant funding a school district receives be adjusted for growth, as measured by the number of eligible participants in those programs.

(4) Existing law establishes the professional development block grant, composed of funding from and for specified existing categorical education programs. Existing law requires the Superintendent to apportion block grant funds to a school district based on the number of certificated teachers employed by the school district in the immediately prior fiscal year. Existing law authorizes a school district to expend these funds if it provides each teacher of kindergarten or any of grades 1 to 6, inclusive, with opportunities to participate in professional development activities in reading language arts/English language development, expending at least an amount that is equal to the proportion that funding calculated pursuant to the existing

Mathematics and Reading Professional Development Program. Existing law requires that the amount of block grant funding a school district receives be adjusted for inflation, as specified, and for growth, as measured by the regular average daily attendance used for the second principal apportionment.

This bill would delete that proportional expenditure requirement and would additionally require a school district to provide information on teacher development needs and the effectiveness of programs included within the block grant, as requested by the Superintendent. The bill would, commencing with the 2006–07 fiscal year, include the Mathematics and Reading Professional Development Program within the block grant. The bill would require that the amount of block grant funding a school district receives be adjusted for growth, as measured by the number of certificated teachers employed by the school district in the immediately prior fiscal year.

(5) Existing law requires a school district that receives school and library improvement block grant funds to have a school level advisory committee and a single school plan.

This bill would instead require that, as a condition to the receipt of school and library improvement block grant funds, a school district shall establish and maintain a school site council.

~~(1) Existing law requires the county superintendent of schools to determine a revenue limit for each school district in the county pursuant to a specified formula.~~

~~This bill would, commencing with the 2006–07 fiscal year, and each fiscal year thereafter, authorize a school district to elect to receive school funding on a weighted per pupil basis, in lieu of receiving revenue limit funding. The bill would impose a state-mandated local program by requiring the county superintendent of schools to compute an annual entitlement for weighted per pupil funding pursuant to a specified formula for each school district that elects to receive the weighted per pupil funding.~~

~~(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1. Article 1 (commencing with Section 42200) is~~
2 ~~added to Chapter 7 of Part 24 of the Education Code, to read:~~
3 ~~SECTION 1. Section 41500 of the Education Code is~~
4 ~~amended to read:~~
5 41500. (a) Notwithstanding any other provision of law, a
6 school district and county office of education may expend in a
7 fiscal year up to 15 percent of the amount apportioned for the
8 block grants set forth in Article 3 (commencing with Section
9 41510), Article 5 (commencing with Section 41530), Article 6
10 (commencing with Section 41540), or Article 7 (commencing
11 with Section 41570) for any other programs for which the school
12 district or county office is eligible for funding, including
13 programs whose funding is not included in any of the block
14 grants established pursuant to this chapter. The total amount of
15 funding a school district or county office of education may
16 expend for a program to which funds are transferred pursuant to
17 this section may not exceed 120 percent of the amount of state
18 funding allocated to the school district or county office for
19 purposes of that program in a fiscal year. For purposes of this
20 subdivision, "total amount" means the amount of state funding
21 allocated to a school district or county office for purposes of a
22 particular program in a fiscal year plus the amount transferred in
23 that fiscal year to that program pursuant to this section.
24 (b) A school district and county office of education shall not,
25 pursuant to this section, transfer funds from Article 2
26 (commencing with Section 41505) and Article 4 (commencing
27 with Section 41520).
28 (c) Before a school district or county office of education may
29 expend funds pursuant to this section, the governing board of the
30 school district or the county board of education, as applicable,
31 shall discuss the matter at a noticed public meeting.
32 (d) A school district shall continue to track transfers made
33 pursuant to this section ~~by using object code 8998 of the~~
34 ~~Standardized Account Code Structure.~~

1 *SEC. 2. Section 41505 of the Education Code is amended to*
 2 *read:*

3 41505. (a) There is hereby established the pupil retention
 4 block grant. Commencing with the 2005–06 fiscal year, the
 5 ~~Superintendent of Public Instruction~~ shall apportion block grant
 6 funds to a school district in the same relative statewide
 7 proportion that the school district received in the 2003–04 fiscal
 8 year for the programs listed in Section 41506.

9 (b) (1) A school district may expend funds received pursuant
 10 to this article for any purpose authorized by the programs listed
 11 in Section 41506 as the statutes governing those programs read
 12 on January 1, 2004, *if programs of supplemental instruction*
 13 *offered pursuant to Sections 37252 and 37252.2 are fully funded.*

14 (2) *It is the intent of the Legislature that funds made available*
 15 *pursuant to this article be first used to meet the requirements of*
 16 *Sections 37252 and 37252.2. It is further the intent of the*
 17 *Legislature that no claim for reimbursement for costs mandated*
 18 *by Sections 37252 and 37252.2 be made without first*
 19 *demonstrating that funds made available pursuant to this article*
 20 *are used to meet the requirements of Sections 37252 and*
 21 *37252.2.*

22 (c) For purposes of this article, “school district” includes a
 23 county office of education if county offices of education are
 24 eligible to receive funds for the programs that are listed in
 25 Section 41506. The block grant of a county office of education
 26 shall be based only on those programs for which it was eligible to
 27 receive funds in the 2003–04 fiscal year.

28 *SEC. 3. Section 41505.5 of the Education Code is repealed.*

29 ~~41505.5. The department shall make an initial allocation of~~
 30 ~~funds to each local educational agency eligible for funding~~
 31 ~~pursuant to this article. This initial allocation shall be 75 percent~~
 32 ~~of the allocation for each local educational agency that is~~
 33 ~~determined pursuant to Section 41505. The remaining portion of~~
 34 ~~each district’s allocation shall be made only after supplemental~~
 35 ~~instruction provided under Sections 37252 and 37252.2 is fully~~
 36 ~~funded as required pursuant to Section 42239. If the~~
 37 ~~Superintendent of Public Instruction notifies the Director of~~
 38 ~~Finance pursuant to paragraph (4) subdivision (c) of Section~~
 39 ~~42239 that there is a deficiency of funding for purposes of~~
 40 ~~Sections 37252 and 37252.2, the Controller shall transfer from~~

~~funding provided for purposes of this article any amounts needed to fully fund supplemental instruction provided under Sections 37252 and 37252.2. The transfer of funds pursuant to this section shall be to the item or items in the annual Budget Act that appropriate funds for supplemental instruction provided under Sections 37252 and 37252.2. If the amount of funds remaining after the initial 75 percent allocation is insufficient in any year to fully fund supplemental instruction provided pursuant to Sections 37252 and 37252.2, the amount of the remaining insufficiency shall be deducted from funds appropriated for purposes of this article for the subsequent fiscal year.~~

SEC. 4. Section 41506 of the Education Code is amended to read:

41506. The pupil retention block grant shall include funding previously apportioned to school districts for purposes of the following programs:

(a) Supplemental instruction as set forth in Sections 37252, 37252.2, 37252.8, and 37253, Article 1 (commencing with Section 53025) of Chapter 16 and Chapter 18 (commencing with Section 53091) of Part 28. Notwithstanding any other provision of law, funding attributable to the programs identified in this subdivision shall be adjusted annually at both the statewide and local educational agency levels to reflect actual participation, and local educational agency funding eligibility shall not exceed the statutory limitations for these programs, as the statutes governing these programs read on January 1, 2004.

(b) Continuation high schools as set forth in Section 42243.7.

(c) High-Risk Youth Education and Public Safety as set forth in Part 26.95 (commencing with Section 47750).

(d) Tenth grade counseling as set forth in Sections 48431.6 and 48431.7.

(e) Opportunity programs as set forth in Article 1 (commencing with Section 48630) and Article 2.3 (commencing with Section 48643) of Chapter 4 of Part 27. The pupil retention block grant shall not include funding apportioned to county offices of education for opportunity schools and programs administered under Sections 48640 and 48641.

(f) Dropout prevention and recovery as set forth in Article 6 (commencing with Section 52890) and Article 7 (commencing with Section 52900) of Chapter 12 of Part 28, Article 3

(commencing with Section 54660) and Article 7 (commencing with Section 54720) of Chapter 9 of Part 29, and Chapter 3.5 (commencing with Section 58550) of Part 31. A school district that received funds pursuant to the programs listed in this subdivision in the 2003–04 fiscal year shall utilize funds received pursuant to this article to maintain at least the same number of outreach consultants as described in Section 52890 that were utilized by the school district in the 2004–05 fiscal year. A school district shall place consultants first in the school that has the highest percentage of pupils eligible for the federal free and reduced price lunch program. The school district shall then place consultants in the school with the next highest percentage of those pupils and continue in this manner until the school district places in its schools all the outreach consultants required to be placed pursuant to this section.

(g) Early intervention for school success as set forth in Article 4.5 (commencing with Section 54685) of Chapter 9 of Part 29.

(h) An at-risk youth program operated by the Los Angeles Unified School District that is funded pursuant to Item 6110-280-0001 of Section 2.0 of the annual Budget Act.

SEC. 5. Section 41507 of the Education Code is repealed.

~~41507. A school district that receives funds pursuant to this article shall have a school level advisory committee as required pursuant to Chapter 6 (commencing with Section 52000) of Part 28, as that chapter read on January 1, 2004, and shall have a single school plan that incorporates the requirements of Sections 52014 and 52015, as those sections read on January 1, 2004.~~

SEC. 6. Section 41507 is added to the Education Code, to read:

41507. (a) As a condition to the receipt of funds, a school district shall establish and maintain a school site council at each school site that receives funds pursuant to this article, to be composed of all of the following:

(1) The principal.

(2) A representative of the teachers, selected by his or her peers.

(3) A representative of other school personnel, selected by his or her peers.

(4) A representative of the parents or guardians of pupils attending the school, selected by his or her peers.

1 (5) *If the school serves pupils enrolled in any of grades 9 to*
2 *12, inclusive, a representative of the pupils, selected by his or her*
3 *peers.*

4 (b) *An existing schoolwide advisory group or school support*
5 *group that conforms with subdivision (a) may serve as the school*
6 *site council.*

7 (c) *A school district that maintains a kindergarten or any of*
8 *grades 1 to 8, inclusive, and that has jurisdiction over schools*
9 *that share a common attendance area, may establish a single*
10 *school site council for the common attendance area.*

11 (d) *The duties of the school site council shall include all of the*
12 *following:*

13 (1) *Advise the principal and the governing board of the school*
14 *district on priorities for meeting the educational needs of each*
15 *pupil, based on an assessment of the capability of each school.*

16 (2) *Specify objectives for improvement.*

17 (3) *Indicate actions necessary to achieve objectives for*
18 *improvement, including intended outcomes.*

19 SEC. 7. *Section 41522 of the Education Code is amended to*
20 *read:*

21 41522. Commencing with the 2006–07 fiscal year, the
22 amount of funding a school district receives pursuant to this
23 article shall be adjusted for inflation by the amount calculated
24 pursuant to Section 42238.1 and for growth as measured by the
25 ~~regular average daily attendance used for the second principal~~
26 ~~apportionment for kindergarten and grades 1 to 12, inclusive~~
27 *number of eligible participants in the programs described by*
28 *Section 45121.*

29 SEC. 8. *Section 41530 of the Education Code is amended to*
30 *read:*

31 41530. (a) There is hereby established the professional
32 development block grant. Commencing with the 2005–06 fiscal
33 year, the Superintendent of ~~Public Instruction~~ shall apportion
34 block grant funds to a school district based on the number of
35 certificated teachers employed by the school district in the
36 immediately prior fiscal year.

37 (b) A school district may expend funds received pursuant to
38 this article for any purpose authorized by the programs listed in
39 Section 41531, as the statutes governing those programs read on

1 January 1, 2004, if the school district ~~provides~~ *does both of the*
2 *following:*

3 (1) *Provides* each teacher of kindergarten or any of grades 1 to
4 6, inclusive, with opportunities to participate in professional
5 development activities in reading language arts/English language
6 development. ~~In providing teachers of kindergarten and any of~~
7 ~~grades 1 to 6, inclusive, with opportunities to participate in~~
8 ~~professional development activities in reading language~~
9 ~~arts/English language development, a school district shall expend~~
10 ~~at least an amount that is equal to the proportion that funding~~
11 ~~calculated pursuant to Article 3 (commencing with Section~~
12 ~~99230) of Chapter 5 of Part 65 bears to the statewide total~~
13 ~~amount of block grant funds appropriated for purposes of this~~
14 ~~article. For purposes of this article, professional development in~~
15 ~~reading language arts/English language development shall be~~
16 ~~equivalent in rigor to the professional development provided~~
17 ~~pursuant to Article 3 (commencing with Section 99230) of~~
18 ~~Chapter 5 of Part 65, as that article read on January 1, 2004.~~

19 (2) *Provides information on teacher development needs and*
20 *the effectiveness of programs listed in Section 41531, as*
21 *requested by the Superintendent.*

22 (c) For purposes of this article, “school district” includes a
23 county office of education if county offices of education are
24 eligible to receive funds for the programs that are listed in
25 Section 41531. The block grant of a county office of education
26 shall be based only on those programs for which it was eligible to
27 receive funds in the 2003–04 fiscal year.

28 *SEC. 9. Section 41531 of the Education Code is amended to*
29 *read:*

30 41531. The professional development block grant shall
31 include funding apportioned to school districts prior to January 1,
32 2005, for purposes of the following programs:

33 (a) Staff development as set forth in Article 7.5 (commencing
34 with Section 44579) of Chapter 3 of Part 25.

35 (b) Teaching as a Priority Block Grant as set forth in Chapter
36 3.36 (commencing with Section 44735) of Part 25.

37 (c) Intersegmental programs funded pursuant to Item
38 6110-197-0001 of Section 2.00 of the annual Budget Act.

39 (d) *Commencing with the 2006–07 fiscal year, the*
40 *Mathematics and Reading Professional Development Program*

1 *as set forth in Article 3 (commencing with Section 99230) of*
2 *Chapter 5 of Part 65.*

3 *SEC. 10. Section 41532 of the Education Code is amended to*
4 *read:*

5 41532. Commencing with the 2006–07 fiscal year, the
6 amount of funding a school district receives pursuant to this
7 article shall be adjusted for inflation by the amount calculated
8 pursuant to Section 42238.1 and for growth as measured by the
9 ~~regular average daily attendance used to calculate the second~~
10 ~~principal apportionment for kindergarten and grades 1 to 12,~~
11 ~~inclusive number of certificated teachers employed by the school~~
12 ~~district in the immediately prior fiscal year.~~

13 *SEC. 11. Section 41572 of the Education Code is repealed.*

14 ~~41572. A school district that receives funds pursuant to this~~
15 ~~section shall have a school level advisory committee as required~~
16 ~~by Chapter 6 (commencing with Section 52000) of Part 28, as it~~
17 ~~read on January 1, 2004, and shall have a single school plan that~~
18 ~~incorporates the requirements of Sections 18181, 52014, and~~
19 ~~52015, as those sections read on January 1, 2004.~~

20 *SEC. 12. Section 41572 is added to the Education Code, to*
21 *read:*

22 41572. (a) *As a condition to the receipt of funds, a school*
23 *district shall establish and maintain a school site council at each*
24 *school site that receives funds pursuant to this article, to be*
25 *composed of all of the following:*

26 (1) *The principal.*

27 (2) *A representative of the teachers, selected by his or her*
28 *peers.*

29 (3) *A representative of other school personnel, selected by his*
30 *or her peers.*

31 (4) *A representative of the parents or guardians of pupils*
32 *attending the school, selected by his or her peers.*

33 (5) *If the school serves pupils enrolled in any of grades 9 to*
34 *12, inclusive, a representative of the pupils, selected by his or her*
35 *peers.*

36 (b) *An existing schoolwide advisory group or school support*
37 *group that conforms with subdivision (a) may serve as the school*
38 *site council.*

39 (c) *A school district that maintains a kindergarten or any of*
40 *grades 1 to 8, inclusive, and that has jurisdiction over schools*

1 *that share a common attendance area, may establish a single*
2 *school site council for the common attendance area.*

3 *(d) The duties of the school site council shall include all of the*
4 *following:*

5 *(1) Advise the principal and the governing board of the school*
6 *district on priorities for meeting the educational needs of each*
7 *pupil, based on an assessment of the capability of each school.*

8 *(2) Specify objectives for improvement.*

9 *(3) Indicate actions necessary to achieve objectives for*
10 *improvement, including intended outcomes.*

11 ~~Article 1. Weighted Per Pupil Funding~~
12

13 ~~42200. (a) Commencing with the 2006-07 fiscal year, and~~
14 ~~each fiscal year thereafter, a school district may elect to receive~~
15 ~~school funding pursuant to this article in lieu of funding that may~~
16 ~~otherwise be claimed pursuant to Article 2 (commencing with~~
17 ~~Section 42238).~~

18 ~~(b) The county superintendent of schools shall compute an~~
19 ~~annual entitlement for weighted per pupil funding for each school~~
20 ~~district in the county that elects to receive funding pursuant to~~
21 ~~this article. Funding shall be computed as follows:~~

22 ~~(1) For each school in the school district, determine the~~
23 ~~average monthly enrollment for the school year as provided in~~
24 ~~Section 42202.~~

25 ~~(2) Apply weighting factors to the average monthly enrollment~~
26 ~~of each school as provided in Section 42204.~~

27 ~~(3) Multiply the weighted average monthly enrollment of each~~
28 ~~school by the prior year funding per pupil of each school prior to~~
29 ~~the application of weighting factors, but as adjusted for inflation~~
30 ~~pursuant to Section 42206.~~

31 ~~(c) The Superintendent shall apportion to each school district~~
32 ~~that elects to receive funding pursuant to this article the amount~~
33 ~~determined pursuant to subdivision (b) for each school less the~~
34 ~~sum of the following:~~

35 ~~(1) The property tax revenue received by the school district~~
36 ~~pursuant to Chapter 6 (commencing with Section 95) of Part 0.5~~
37 ~~of the Revenue and Taxation Code.~~

38 ~~(2) The amount, if any, received by a school district pursuant~~
39 ~~to Part 18.5 (commencing with Section 38101) of the Revenue~~
40 ~~and Taxation Code.~~

~~(3) The amount, if any, received by a school district pursuant to Chapter 3 (commencing with Section 16140) of Part 1 of Division 4 of Title 2 of the Government Code.~~

~~(4) Taxes in prior years and taxes on the unsecured roll.~~

~~(5) Fifty percent of the amount received by a school district pursuant to Section 41603.~~

~~(6) The amount, if any, received by a school district pursuant to the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code), except for any amount received pursuant to Section 33401 or 33676 of the Health and Safety Code that is used for land acquisition, facility construction, reconstruction, or remodeling, or deferred maintenance, except for any amount received pursuant to Section 33492.15, paragraph (4) of subdivision (a) of Section 33607.5, or Section 33607.7 of the Health and Safety Code that is allocated exclusively for educational facilities.~~

~~(7) For a unified school district, other than a unified school district that has converted all of its schools to charter status pursuant to Section 47606, the amount of statewide average general-purpose funding per unit of average daily attendance received by school districts for each of four grade level ranges, as computed by the department pursuant to Section 47633, multiplied by the average daily attendance, in corresponding grade level ranges, of any pupils who attend charter schools funded pursuant to Chapter 6 (commencing with Section 47630) of Part 26.8 for which the school district is the sponsoring local educational agency, as defined in Section 47632, and who reside in and would otherwise have been eligible to attend a noncharter school of the school district.~~

~~42202. (a) For purposes of Section 42200, the average monthly enrollment of a school for a school year shall be computed by adding the enrollment of pupils for each month during the school year and dividing that amount by the number of months in the school year.~~

~~(b) A pupil may be counted as enrolled for one month in a public school if that pupil is enrolled in that school for any minimum schoolday that occurs during the month.~~

~~42204. For purposes of this article, the average monthly enrollment of a school may be multiplied by weighting factors determined pursuant to law.~~

1 ~~42206. For the 2007-08 fiscal year, and each fiscal year~~
2 ~~thereafter, the percentage inflation adjustment shall be equal to~~
3 ~~the percentage change in the annual average value of the Implicit~~
4 ~~Price Deflator for State and Local Government Purchases of~~
5 ~~Goods and Services for the United States, as published by the~~
6 ~~United States Department of Commerce for the 12-month period~~
7 ~~ending in the third quarter of the prior fiscal year. This~~
8 ~~percentage change shall be determined using the latest data~~
9 ~~available as of May 1 of the preceding fiscal year compared with~~
10 ~~the annual average value of the same deflator for the 12-month~~
11 ~~period ending in the third quarter of the second preceding fiscal~~
12 ~~year, using the latest data available as of May 1 of the second~~
13 ~~preceding fiscal year, as reported by the Department of Finance.~~

14 ~~SEC. 2. If the Commission on State Mandates determines that~~
15 ~~this act contains costs mandated by the state, reimbursement to~~
16 ~~local agencies and school districts for those costs shall be made~~
17 ~~pursuant to Part 7 (commencing with Section 17500) of Division~~
18 ~~4 of Title 2 of the Government Code.~~